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C O N F I D E N T I A L SECTION 01 OF 05 TOKYO 000611

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SUBJECT: ISRAELI PRIME MINISTER'S VISIT TO JAPAN: FIRST IN
ELEVEN YEARS

REF: TOKYO 492

Classified By: Ambassador J. Thomas Schieffer for reasons 1.4(b) and (d)
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¶1. (C) SUMMARY: Israeli Prime Minister Olmert's February 25-28 visit to Tokyo focused on expanding the bilateral relationship, particularly trade, but also addressed regional issues including the Middle East Peace Process (MEPP), Iran, North Korea, and China. On the peace process, Olmert thanked Japan for its Corridor for Peace and Prosperity (CPP) initiative, while Prime Minister Fukuda urged him to exercise more leadership toward implementing the roadmap and to addressing the situation in Gaza. On Iran and North Korea, Olmert and Fukuda agreed that nuclear proliferation was a major concern and discussed the possibility of sharing intelligence, with Israel sharing what it knows about Iran in return for Japan's intelligence on North Korea. Concerning China, Fukuda urged Olmert to be careful in dealings with Beijing, and Olmert replied that Israel's policy is to improve economic ties with China and to avoid political or military dealings. The Joint Statement issued in conjunction with the visit was much pared down from what the Japanese normally prefer and, at Israel's insistence, only focused on the economic and peace process issues. Japan rebuffed an Israeli attempt to specifically mention their desire to establish an Economic Partnership Agreement (EPA) with Japan.
END SUMMARY.

¶2. (C) Israeli Prime Minister Ehud Olmert, accompanied by his wife, senior staff members, and a 24-member private sector

business delegation visited Tokyo on a four-day official working visit February 25-28. This was the first visit to Japan by a sitting Israeli Prime Minister in eleven years.

BILATERAL ECONOMIC TIES

¶ 13. (C) The first full day of PM Olmert's visit, February 26, was dedicated mainly to economic issues. He and his business delegation met with Keidanran (Japan Federation of Economic Organizations) President Fujio Miterai and some of his colleagues, and attended an afternoon business forum, which was also attended by Ministry of Economy, Trade, and Industry (METI) Senior Vice Minister Masashi Nakano and MOFA Vice Minister Yasuhide Nakayama. METI Minister Akira Amari was invited to attend, but did not want to be seen in a public forum with Olmert and opted instead to call on him privately in his hotel. According to MOFA First Middle East Division Principal Deputy Director Akihiro Tsuji, Amari believed that meeting with Olmert publicly or participating in a forum with him would offend or alienate Amari's Gulf Arab counterparts or otherwise negatively affect Japan's relationships with the Gulf Arab countries whose oil is so critical to Japan's economic survival. MOFA's official summary of Olmert's visit listed all of his meetings except the one with Amari.

¶ 14. (C) The economic relationship was also the first topic discussed when Olmert met with Fukuda on February 27 in a fifty minute meeting, followed by a twenty minute one-on-one, according to Tsuji. Olmert expressed his hope that the two

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countries could collaborate more on research and development issues and said that his ultimate hope is to conclude an EPA with the Japanese. Fukuda replied that talk of an EPA was premature, but agreed to the establishment of a director-level working group to discuss how the two countries can work together in the financial, investment, agricultural, and technology realms. Tsuji believes the Israelis are very serious about an EPA, given the fact Olmert raised it twice during the meeting and also because they made a tough but ultimately unsuccessful pitch to get it into the joint statement.

¶ 15. (C) The other major economic promotion activity that took place during the visit was a trip on February 28 to a nearby Nissan plant. Nissan announced in January its intention to establish a plant in Israel by 2011 to produce its "Ecocar," and Olmert had expressed an interest in learning more about this initiative.

MIDDLE EAST PEACE PROCESS

¶ 16. (C) PM Olmert thanked Fukuda for Japan's CPP initiative, noting it is a project that can help to improve the MEPP atmosphere, and thus is meriting support from Israel, reported Tsuji. Fukuda thanked him and also offered Tokyo as a venue for peace talks, if the parties believed it would be useful to meet here. Fukuda then pressed on the MEPP, expressing hope that Olmert will exercise more leadership toward the implementation of the roadmap measures. He also urged Olmert to exert his utmost efforts to avoid further deterioration of the humanitarian situation in Gaza. Olmert replied that the situation for the Palestinians in Gaza is "inconvenient," but so too is it inconvenient for Israelis who must live under the constant threat of rocket attacks. The inevitable result, he said, would be a clash. And while Israel is aware of Japan's concerns, it cannot let the crisis continue. Fukuda again asked Olmert to take action to ease the restrictions on movement of people and goods in Gaza, but, according to Tsuji, Olmert did not reply.

¶ 17. (C) COMMENT: Following the escalation of violence in Gaza

after Olmert's return to Israel, Japan on March 3 issued a press statement expressing "deep concern" about the situation and "deplored" the fact that Israeli and Palestinian civilians, including children, are falling victim to the violence. Japan "strongly condemned" the rocket attacks launched by the Palestinian side and also the Israeli response, calling on the Israeli government to exercise the "utmost restraint" to avoid injuring civilians or exacerbating the humanitarian situation further. The Representative of the Palestinian Authority in Tokyo told Political Officer the Japanese were quite upset by the Israeli actions so soon after Olmert's visit to Japan. END COMMENT.

¶8. (C) The MEPP was also a major topic discussed in PM Olmert's separate meeting on February 27 with Foreign Minister Masahiko Koumura, reported Tsuji. Koumura raised with Olmert Japan's concerns about the continued construction of housing by Israelis in the West Bank and East Jerusalem,

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and said Japan looks to Olmert's leadership to tackle this problem. Olmert replied he will see to it no new settlements are built, and that the Israeli side would fully implement its no new settlements promise.

IRAN - NORTH KOREA

¶9. (C) PM Fukuda raised Iran first, said Tsuji, noting the high priority Japan places on nonproliferation both in the Middle East and elsewhere. United action is required of the international community to deal with this serious problem, he told Olmert. Accordingly, Japan is steadily implementing the UN Security Council Resolution provisions concerning Iran and will continue to urge Tehran to fully comply with the will of the international community, as clearly expressed by the Security Council.

¶10. (C) PM Olmert replied that Israel has good reason to be alarmed by the rapid development of a nuclear capability by Iran. He argued that Iran is clearly trying to strengthen both its conventional and non-conventional arms capabilities, and this is simply not acceptable to Israel. He emphasized that this is the key year to end Iranian nuclear enrichment, warning that next year will be too late. PM Olmert offered to share Israeli intelligence on Iran with Japan, and said he wants to work closely with Japan to join an international effort to persuade IAEA Director General ElBaradei to take a tougher approach on Iranian nuclear enrichment. Fukuda replied that, personally, he agrees it is imperative for the IAEA to take a tougher approach, and that he thinks it necessary for the UN to provide the IAEA with a stronger mandate to investigate Iranian behavior. Tsuji was careful to point out to Political Officer that this last comment was made in Fukuda's "personal capacity" and was not part of his prepared and cleared talking points for the meeting. Olmert concluded by noting that economic sanctions on Iran have been effective and are appropriate, and must be maintained.

¶11. (C) COMMENT: The subject of Iran did not come up in Olmert's meeting with FM Koumura, said Tsuji. However, if it had, Tsuji said Koumura had been given a talking point urging Israel to join the NonProliferation Treaty and the Conventional Test Ban Treaty. Apparently, Koumura was content not to raise the issue of Iran if Olmert didn't. END COMMENT.

¶12. (C) On North Korea, Fukuda raised Japan's concerns regarding nuclear developments and the abductions issue, and asked for Israeli support to address both, said Tsuji. Olmert replied that North Korea, Iran, and Syria are part of the "evil network" and that Israel shares Japan's concerns about the DPRK's proliferation activities. Israel is also concerned by the North's provision of weapons and missile

technology to Iran. Olmert again mentioned the possibility of exchanging intelligence; Japan's knowledge of what North Korea is up to, and Israel's intelligence on Iranian activities. Fukuda agreed to this in principle, but according to Tsuji, no specific mechanism to do so was established or discussed.

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CHINA

¶13. (C) The good news on China, Fukuda told Olmert, is an improving relationship which presents many economic opportunities. However, he warned that the question of China's rapid and non-transparent military build up requires attention to the impact this is having on regional stability. Olmert replied that Israel has good relations with China as far as business and trade are concerned, and would like to see these relations improve. China is a big country and a big market, he said. But, at the same time, Israel will remain cautious not to move to improve relations in other than the economic field.

JOINT STATEMENT

¶14. (C) The joint statement issued in conjunction with the visit was much more limited than is normally the case for Japan. Tokyo usually insists on mentioning climate change, North Korean proliferation, the abduction issue, and its desire to obtain a permanent seat on the Security Council. All of these were left off. According to Tsuji, the Israelis wanted the statement to focus only on bilateral issues, and would not agree to the inclusion of Japan's boilerplate entries, or even to language concerning Iran, which has also been fairly standard in Japanese joint statements with other countries in the Middle East. The statement accordingly was limited to highlighting the steady progress of bilateral relations, both economic and political, noting the decision to establish a joint working group to explore improved bilateral relations (Japan would not agree to Israel's "premature" desire to mention an EPA, noting there has been no previous discussion of such an issue). In addition, the statement reaffirmed the commitment of both sides to enhance cooperation in the science and technology field and looked forward to this year's fourth meeting of the Japan-Israel Joint Committee for Cooperation in Science and Technology. On the MEPP, the statement noted that PM Fukuda expressed strong support for ongoing bilateral negotiations between Israel and the Palestinians, and said that PM Olmert had reiterated his commitment to make every effort to reach an agreement with the Palestinian side before the end of 2008. The CPP initiative was also favorably mentioned.

OTHER MEETINGS

¶15. (C) In addition to his meetings with Fukuda and Koumura, Olmert was also received by the Emperor and was the guest of honor at a social dinner hosted by Fukuda. He also had meetings with former Prime Minister Koizumi, former Foreign Minister Aso, Minister of Defense Shigeru Ishiba, and Japan International Cooperation Agency President Sadako Ogata. According to Tsuji, the Koizumi and Aso meetings were courtesy calls to reciprocate for meetings held with Olmert in Israel. Both men remain very interested in the Middle East and Koizumi, in particular, was impressed by the fact

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that Olmert had met him in July 2006, the same day Israeli

soldiers were attacked on the Lebanese border instead of canceling their meeting. The meeting with Ogata was to discuss her upcoming trip to the region. Olmert's meeting with Minister of Defense Ishiba lasted approximately thirty minutes, according to an MOD contact, who reported Ishiba had reminded Olmert of Japan's restrictions on the export of military equipment, but also expressed an interest in sharing information about military technologies, particularly mentioning unmanned aerial vehicles. Olmert also briefed Ishiba on the situation in Gaza and emphasized how important it is for Israel to work closely with the United States, its European friends, and Japan.

COMMENT

¶16. (C) Tsuji reported the Japanese were pleased with Olmert's visit and considered it a success. Both sides clearly wanted to maintain the public focus on an improving bilateral relationship. Japan's relations with Israel have been warm, but never close given Japan's traditional support for the Palestinian people. Both sides opted to focus on "good news" issues, rather than to emphasize Iran, a politically and economically sensitive issue for the Japanese, or other international issues. The Israelis also wanted to push for closer economic relations and also raised the issue of landing rights for El Al flights at Narita, a subject of previous unsatisfactory discussions. The notion of intelligence sharing on Iran and North Korea will be taken up in other channels.

SCHIEFFER